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HOOK LAW CENTER
Legal Power for Seniors

Tel: 757-399-7506
Fax: 757-397-1267

Locations:

Virginia Beach
295 Bendix Road, Suite 170
Virginia Beach, VA 23452

Suffolk
5806 Harbour View Blvd.,
Suite 203
Suffolk, VA 23435

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**"When It Comes to an Inheritance, How Much is Too Much?"
and Other Estate Planning Tips from Warren Buffett**

by Jessica A. Hayes, Esq.

At this year's Berkshire Hathaway annual general meeting, a tax and estate attorney named Marvin Blum asked Warren Buffett a question that pertains to the concerns of a number of Hook Law Center's clients.

Mr. Blum asked: "I can design plans that eliminate estate tax and pass down great amounts of wealth to the next generation. But many of my clients come to me and say they want a plan like Warren Buffett's, leaving their kids enough so they can do anything, but not so much that they can do nothing. Now they ask me - and I am asking you - how much is that? And how do you keep from ruining your kids?"

This is a question many of our clients have posed to us when designing their estate plans. When an older individual or couple has worked hard for decades to amass their wealth, they often want to make sure their children and grandchildren receive a nice inheritance, but that the inheritance does not take away their motivation to succeed on their own.

Mr. Buffett responded, "I think that more of our kids are ruined by the behavior of their parents than by the amount of the inheritance." The crowd applauded and cheered.

Mr. Buffett's response is thought-provoking, and lends itself to the presumption that the ultimate predictor of children's success is how they were raised and with what values, not the amount they stand to inherit from their parents. A \$1 million inheritance in the hands of a child whose parents have not taught him the value of hard work and diligence will likely disappear more quickly than a \$1 million inheritance in the hands of a child whose parents carefully instilled in him the desire to achieve personal success. As you can see, the dollar amount which answers the question "how much is too much?" will vary greatly by family and individual, and will be determined by the child's personal values and motivation. The individuals who are best equipped, then, to determine how much constitutes "too much" will be the child's family and the individuals who know him best.

**"When It Comes to an Inheritance, How Much is Too Much?" and
Other Estate Planning Tips from Warren Buffett (con't)**

At the meeting, Mr. Buffett also remarked that he believes parents should communicate with their children as they create their estate plans, to permit the children to ask questions while their parents are still able to answer. He stated, "Your children are going to read the will some day . . . It's crazy for them to read it after you're dead for the first time. You're not in a position to answer questions - unless the Ouija board really works." Although a bit humorous, there is truth to Mr. Buffett's words. Time and time again, we at Hook Law Center meet with children after their parents are deceased, and the children express surprise at the contents of their parents' wills and/or trusts. The children often have questions about why the parents' estate plans were designed a certain way, and the answers are not always obvious. To eliminate any surprises and potential conflict among family members after a parent's death, we strongly recommend that our clients discuss their wishes with their children while they are able to do so. The Hook Law Center regularly hosts family meetings where the client and his family review and discuss the client's estate plan.

Mr. Buffett mentioned that he rewrites his will (and, presumably, trust[s]) every five or six years, as well. Although this may not be necessary for everyone, Hook Law Center strongly recommends that clients at least review their estate plans with an attorney periodically to ensure that they continue to reflect their wishes. As a rule of thumb, it is a good idea to review one's estate plan every time that individual or a loved one undergoes a major life change (birth, death, marriage, divorce, sickness, disability, etc.). Hook Law Center mails out periodic letters to remind clients to review their estate plans and determine whether updates are necessary.

Note: News cameras were not permitted and there is no official transcript of Mr. Buffett's remarks at the 2013 Berkshire Hathaway annual general meeting. Credit to <http://www.theglobeandmail.com/globe-investor/investment-ideas/lessons-in-estate-planning-from-warren-buffett/article12022903/> for the quotations from Mr. Buffett.



Heroes

Hook Law Center: Kit Kat, are there heroes in the animal world?

Kit Kat Yes, there are many heroes among us animals, but a story about a dog named Kabang caught my eye recently. Kabang is truly extraordinary. Kabang is a 2-year old mixed breed (somewhat resembling a German Shepherd) from the Philippines. In her rescue of 2 little girls there from an oncoming motorcycle, she lost her snout and upper jaw. As there was not adequate treatment available in her home country, she ended up being treated at the University of California-Davis (near Sacramento) for many months. The cost of \$27,000 was mostly covered through donations. She returned to the Philippines on June 8, 2013.

Kabang is by no means restored to her former self. Her face had to be partially rebuilt, allowing for openings for breathing. But in essence, she now functions without a dog's traditional upper jaw. Her tongue and teeth of the lower jaw are always exposed. It seems to be working for her, though. From pictures I saw in the Washington Post, she seems as frisky as any 2-year old would be. She also had to be treated for cancer and heartworms. She's been through a lot. Thank goodness for modern medicine! It has allowed a wonderful being to survive and thrive.

(World section, photo essay, [The Washington Post](#), June 11, 2013)



Upcoming Events

■ Hook Law Center will be presenting a seminar to the Virginia Enrolled Agents at the Airport Hilton, 1500 North Military Highway, Norfolk, VA 23502 on **July 17, 2013 at 8:00 a.m.**

■ Hook Law Center will be presenting at an Advanced Elder Law Seminar in Richmond, VA on **September 11, 2013.**

Special Offer for Subscribers of Hook Law Center News: **This Summer, Bring Home a New Best Friend!**

The Norfolk SPCA is offering subscribers of Hook Law Center News a discount on adoptions this summer. As kids get out of school,

it's a perfect time to welcome a new family member into your home! The adoption discount lasts through Labor Day.



Bring the whole family and find a wonderful new addition for your home!

Adoption Discount

Bring a copy of this ad at the time of adoption and receive a 20% discount off adoption fees:

- **\$30 off of the regular dog adoption fee of \$150.**
- **\$20 off of the regular cat adoption fee of \$100.**

View all the adoptable pets and check out the hours of operation at www.NorfolkSPCA.org/adopt. The Norfolk SPCA is open seven days a week and has lots of loving, homeless pets in need of new, forever homes. The shelter is located just off I-264 at the Ballentine Blvd. exit. Phone: (757) 622-3319.

Currently, more than 5 million Americans have Alzheimer's disease and that number is expected to grow to as many as 16 million by 2050. Our future is at risk unless we can find a way to change the course of this devastating disease.

This year, to help those affected by Alzheimer's, **Hook Law Center** is participating in the Alzheimer's Association Walk to End Alzheimer's to raise funds and awareness. Everyone either has someone in their family, or they know someone whose life has been changed forever by Alzheimer's. For those individuals whose lives were taken by this unrelenting thief of memories and destroyer of lives, and for the many patients and their families, we invite you to donate and support the research that will beat this heartless thug of a disease into submission.

The Alzheimer's Association is the world's leading voluntary health organization in Alzheimer's care, support and research, and funds we raise will go directly toward supporting their efforts. We know **Team Hook Law Center** can make a difference with your support! It's easy to give online using the link below. http://act.alz.org/site/TR/Walk/VA-SoutheasternVirginia?team_id=87329&pg=team&fr_id=3766

The end of Alzheimer's starts here – with a gift from you.

Thank you in advance for your generosity.

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